



Revision number: 1

Purchasing Agent: David Gill

Email: dgill@utah.gov

Phone #: (801) 538-3254

Item: Electronic Surplus

Vendor: 121805A

Computer & Electronic Recycling
dba GRX (Guaranteed Recycling Xperts)
4920 Washington Street
Denver, CO 80216

Internet Homepage: www.grxrecycles.com

General Contact: Mike Wright
Telephone: (720) 377-7700
Fax number: (720) 377-0496
Email: mikew@grxrecycles.com

Usage Report Contact: Laura Jacobsen
Telephone: (720) 377-7700
Fax number: (720) 377-0496
Email: lauraj@grxrecycles.com

Reporting Type: Line-Item

Price: See Pricing Summary
Terms: Net 30
Effective dates: 03/01/06 through 02/28/08
Renewal options remaining: Three 1-year renewals
Days required for delivery: 4
Price guarantee period: One Year
Freight: See Pricing Summary
Minimum order: One Piece
Min shipment without charges: See Pricing Summary
Other conditions: Contract potentially renewable until 2/28/2011

Revision #1: Contact information changed

BID NO. GL6025

This contract covers only those items listed in the price schedule. It is the responsibility of the agency to ensure that other items purchased are invoiced separately. State agencies will place orders directly with the vendor creating a DO in Finet. Agencies will return to the vendor any invoice which reflects incorrect pricing.



Pricing Summary

Base Rate:	(After June 1, 2006; 500+ lbs; within 70 miles of Salt Lake City and Utah State University, Logan, Utah; no freight charge)	\$0.25/lb
Base Rate:	(40,000+ lbs. gross weight from any single address within Utah, includes transport, documentation, and materials processing)	\$0.25/lb
Freight:	(Less then 40,000 lbs. GRX will provide all logistics services, documentation, and materials processing. GRX will comply with 40 CFR Part 262 as it pertains to the transport of CRT containing waste.)	Actual Cost
Revenue	(Revenue from saleable items is shared with 75% of the value going to the user of this contract.)	75% of Value

Before Calling GRX

Before calling GRX please read the following bid response (with proprietary parts edited out) and letter of clarification dated February 22, 2006 which form the non-proprietary and viewable part of the contract.



State of Utah

Solicitation Number: GL6025

December 15, 2005

Executive Summary

Computer & Electronics Recycling, LLC, doing business as Guaranteed Recycling Xperts (GRX) is pleased to have the opportunity to submit this response to the above referenced solicitation number for electronics recycling services. GRX is the premier electronics recycler in Colorado, and we have a strong desire to establish operations in Utah.

GRX Company History & Operations

Guaranteed Recycling Xperts (GRX) is a 6 year old Colorado company based in Denver and specializing in comprehensive end-of-life recycling of discarded electronic equipment - computers, printers, fax machines, TVs etc. – otherwise known as e-waste.

Founded in 1999 by Wayne and Tracy Gums, GRX began recycling computers in 1999 and is Colorado's oldest and largest recycler of obsolete electronic equipment. It was sold in February 2004 to Mike Wright, a 20 year veteran of the computer industry with a strong entrepreneurial track record. The company operates out of a 40,000 square foot facility close to downtown Denver, where all types of discarded electronic equipment are disassembled and broken down into their constituent components and materials for reprocessing and recycling.

GRX serves over 500 regular corporate customers in Colorado and adjacent states, including some of the region's largest companies, as well as countless individuals and small businesses.

Mission and Business Philosophy

Despite the emergence in the past 5 years of the so-called "electronics recycling" industry, the reality is that less than 15% of e-waste material actually finds its way into new products in the form of recycled material. The balance is either exported as waste to developing countries or simply landfilled or incinerated. Ensuring that e-waste is handled in a fashion that not only prevents it from contaminating our environment, but that recycles it into valuable raw materials for use in the manufacture of new products is one of the most pressing waste management challenges of the early 21st century.

GRX recognizes the seriousness of this issue and is positioning itself as:

**The leading and most environmentally responsible end-of-life
recycler of electronic waste in the Rocky Mountain region**

The company's tag line is:

Electronics Recycling.....Done Right

The company's goal is to ensure that 100% of the e-waste it handles is actually recycled into raw materials for use in the manufacture of new products. GRX also seeks to maintain the highest environmental and operating standards in its internal operations. GRX is one of only two Colorado-based companies that have signed the Electronic Recycler's Pledge of True Stewardship developed by the Basel Action Group (BAN) and which represents the most rigorous set of environmental, social and sound business practice standards for electronic recyclers.

This means that GRX:



- does NOT export any waste material to overseas locations
- does NOT landfill or incinerate any waste material
- rejects the practice of exploiting low-wage prison labor in its demanufacturing operations
- takes a leading position in industry efforts to establish higher standards for “electronics recyclers” and encourage legislative initiatives promoting a more responsible approach to the disposition of electronic waste.

GRX’s Ability to Fulfill the Requirements of this Solicitation

GRX has the ability to receive and process all e-waste generated by the Utah Division of Surplus Services, as well as all other State agencies, universities, school districts, counties, towns, or other political subdivisions of the State.

We will provide a toll-free telephone number, which may be used by any of the above named agencies to arrange equipment pick-up. All logistics concerning specific pick-ups can be handled by GRX.

Section 2.02 – Required Services

2.02.1. a - Processes

1) GRX does not directly refurbish or resell any equipment for use for its original intended purpose. We have established a formal partnership with Action Computers, which is in the business of acquiring used electronic equipment for the purpose of resale. Action sells used equipment through their retail locations in the Denver area, and through their presence on e-bay.com. The partnership was established after carefully examining the business practices of Action to ensure they were following “best practices” for used equipment resellers. All items received by Action are thoroughly tested, and all hard drives are wiped to Department of Defense standards. Non-working items are either refurbished, or recycled through GRX. Items in the Action inventory that no longer have a retail value are also recycled through GRX. Action has effective policies in place to ensure that prior to resale, all equipment:

- Is in working condition
- Has had all data removed, including user data and programs
- Has had all information identifying the previous owner removed, such as asset tags
- Contains only properly licensed software, including operating systems and applications

The age at which an item is no longer acceptable for resale is dependent on the then-current market conditions. All serial number tracking will be performed by GRX prior to any items being released to Action.

2) The core business of GRX is the transport, disassembly, and recycling of obsolete electronic equipment. Transportation is accomplished through a coordinated use of company-owned vehicles, leased vehicles, FedEx, and common carriers. Once items are received and recorded, they are stored in our secure facility until they are processed. Processing includes the manual disassembly of items into their constituent raw materials. These materials are then accumulated until a sufficient quantity for shipping is obtained. The separated materials are then shipped to the appropriate company for further processing. All hard drives are physically destroyed through the use of a shredder.

3) GRX currently transports and processes CRT-type monitors in the same manner as other electronic waste, in compliance with Colorado Hazardous Waste Regulations part 273, which classifies



electronic waste as Universal Waste. GRX is registered as a Large Quantity Handler of Universal Waste. GRX will comply with 40 CFR Part 262 as it pertains to the transport of CRT containing waste.

4) As discussed in **2.02.1.a.1** above, GRX does not engage directly in the resale of equipment for its original intended purpose. GRX has a partnership with Action Computers to facilitate customers who wish to recover value from excess equipment. Specifically, we suggest the following process for the State of Utah:

- A. All material received from the State of Utah, upon arrival at the GRX facility, will be weighed and serial numbers will be recorded;
- B. Unless otherwise indicated by the State, a representative of Action will examine all material and identify items they wish to purchase;
- C. Items destined for Action will be noted on recording sheets;
- D. Pricing will be negotiated based on then-current fair market value;
- E. Action will issue a check to the State for 75% of the negotiated price, and a check to GRX for the remaining 25%. The payment to GRX will cover costs such as logistics and materials handling, and also provide an incentive to GRX to command the highest possible price.

2.02.1.b - Facilities

GRX currently operates in a single facility, however it is our intent, should we be awarded this contract, to establish an additional permanent facility in the Salt Lake City area.

Our present facility is located at 4920 Washington Street, Denver, CO 80216. The land and building are owned by SRR Corporation, which is a Colorado corporation owned by Reef Fiedelman. The facility has been owned by the Fiedelman family for more than sixty years. GRX has a long-term lease on the facility, with options that extend to November of 2018.

2.02.1.c - Qualifications

The principals of GRX are Mike Wright and John Miller.

Mike Wright has over 25 years of experience in the I.T. industry. He has earned degrees in both Computer Information Systems and Business Management. Mike has been involved in business management for the past 20 years, and has been a business owner for the past 11 years. Mike purchased GRX from Wayne and Tracy Gums in February of 2004, and the business has seen a steady increase since then in both volume and efficiency. Mike is currently co-chair of the Electronics Recycling Committee of the Colorado Association for Recycling. He is also a member of the International Electronics Recycling Institute (IERI), which is the educational arm of the International Association of Electronics Recyclers (IAER). As a member of IERI, Mike assists in the formation and presentation of classes, and is directly responsible for the formation and presentation of the course "Maximizing Returns from Electronics Recycling Operations". Mike is also an active participant in the Basil Action Network (BAN), which is dedicated to the elimination of the practice of dumping toxic waste on third-world countries.

John Miller has over 10 years in the used computer industry. John joined GRX in September of 2005, and prior to this he worked for Action Computers as their Vice President of Operations. In this capacity, John worked with corporations and government entities to assist them with the disposition of excess electronics. This included purchasing resalable items, and arranging for the proper disposal of items with no value. John's experience in this field will assist him in identifying items of value, and ensuring that the State receives the highest possible value for those items.



Will Carlyle is the Warehouse Superintendent for GRX. Will has been with GRX in his current capacity since the company was founded in 1999. Will is responsible for ensuring that all warehouse employees perform their duties in a safe and efficient manner. He is the primary trainer for new employees, and is responsible for ensuring that each employee is fully trained on forklift operation, Universal Waste regulations, and health and safety policies, as well as proper handling and disassembly of electronic devices.

All other personnel are required to complete training in Universal Waste regulations, health and safety policies, and the proper handling and disassembly of electronic devices.

2.02.1.d – E-waste Landfilled, incinerated, exported

GRX does not incinerate anything, and nothing except circuit boards are exported. By weight, circuit boards represent approximately 3.5% of the total material. GRX has a “no landfill” goal. We attempt to recycle 100% of the material received, including packaging material. Currently, we are unable to recycle console TV cabinets that are made of wood. We also must landfill much of the material that results from sweeping the warehouse floor. Also, we occasionally will receive odd material that we cannot recycle. Everything else is recycled.

2.02.1.e – Types of e-waste processed

GRX currently accepts any type of electrical or electronic device, with the following exceptions: devices that are likely to contain PCBs; devices that are likely to contain biohazards; devices that are likely to contain mercury switches (we do accept devices containing mercury lamps); devices containing CFCs or similar refrigerants; devices containing hazardous chemicals or gases; any other hazardous material that is not regulated by Colorado Universal Waste regulations.

Should GRX be awarded this contract, we would accept any electrical and electronic waste from the State, subject to the exclusions defined above.

2.02.1.f Proprietary Section

2.02.1.g – Subcontractor audits

All subcontractors used by GRX are subject to a certain level of auditing. The type of audit performed is dependent on:

- Toxicity of the material being processed
- Type and amount of publicly available information concerning subcontractor
- Inherent difficulty in processing specific material
- Likelihood that material is being processed correctly due to economic forces

Some items, such as most metals, will tend to be processed in an environmentally sound manner, since this tends to coincide with maximizing the value of the raw materials produced. Other items, such as CRT glass, require a more rigorous audit process.

2.02.1.h – Potential Export

It is the policy of GRX to select downstream processors that do not export unprocessed materials to underdeveloped nations, as defined by the Organization for Economic Co-operative Development (OECD). Once material has been fully processed and returned to raw material, it is generally acceptable to market the material on a global scale. We have traced the downstream path of each material, and are confident that no unprocessed material is being exported to underdeveloped countries.



2.02.1. i Proprietary Section

2.02.2 Transportation and Logistics

2.02.2. a - GRX provided transportation & Logistics

GRX has the capability to provide logistics services to any location in Utah for any size load. Transportation will primarily be provided by third-party vendors. Full truckloads are transported by various common carriers; LTL loads by RAC Transport; and small quantities by FedEx (ground). Pricing is discussed in section 3.01.

2.02.2.b – Days Required after Notification

GRX usually needs a maximum of 4 days from the date of notification until the date of pickup. This time can be extended by request from the customer, or by situations beyond the control of GRX.

2.02.2.c - Packaging, Labeling, and Manifesting Requirements

Packaging

Small quantities will need to be packaged in structurely sound and sealed cardboard boxes. LTL loads need to be packaged in palletized, sealed gaylord boxes. Full truckloads may be packaged in palletized gaylord boxes (open or closed), or palletized and shrinkwrapped. All packaging will need to be done by the State (or other requesting agency).

Labeling

Each box (or pallet) will be required to have an identifying label affixed to it, which will be supplied by GRX. Additional labeling may be required by the carrier, which will also be supplied by GRX.

Manifesting

Any material declared as Hazardous Waste by the State will require a manifest. The manifest will need to be initiated by the State. GRX staff can assist with the completion of the manifest form.

2.02.2.d – Subcontractor Transportation

GRX will provide all required transportation to subcontractor locations, at no cost to the State.

2.02.2.e – Approved Transportation Subcontractors

The following transportation subcontractors are used by GRX:

Fedex Freight
5601 Holly St
Commerce City, CO 80022 - 3901
(800) 463-3339

RAC Transport
6050 East 56th Avenue
Commerce City, CO 80022
(720)322-2280

Absolute Logistics
14700 East 38th Avenue
Aurora, CO 80011
(303)799-4909



Knight Flight Cargo Services
14704 East 33rd Place
Aurora, CO 80011
(303)576-9009

2.02.3 – Reporting

GRX's standard reporting includes providing documentation for each load received. Documentation includes serial number (where applicable) and description of each device, and a total weight of the load. Upon completion of processing for the load, a certificate is issued stating that the load has been processed in accordance with all applicable laws and regulations. GRX tracks the ultimate disposition of all materials by weight, and this information will be made available to the State. GRX has the ability to summarize all of the above mentioned information by month as required by the State.

GRX will complete a quarterly report in the format required and deliver electronically to the Division of Purchasing.

2.02.4 – Method of Payment

GRX will accept payment in any standard form, including credit card, without changing the price structure or charging an additional fee.

Section 2.04 Regulatory Compliance, Health and Safety

2.04.a EPA Identification Number

GRX is registered with the EPA as a Large Quantity Handler of Universal Waste. EPA I.D. # COD000823427.

2.04.b Recognition and Awards

While GRX has not received any formal awards, we have been featured in articles in The Denver Business Journal, The Denver Post, Waste News, Resource Recycling, and others. We have also been highlighted on several local TV news broadcasts. All of the articles and broadcasts have been very positive and complimentary.

2.04.c Permit to Transport Hazardous Waste

Not applicable

2.04.d Hazardous Materials Management Plan

Not applicable

2.04.e Compliance with Regulations and Restrictions

GRX complies with all applicable regulations and restrictions.

2.04.f Environmental, Health, and Safety Program

GRX requires each new employee to undergo training on Universal Waste regulations and GRX health and safety policies. General health and safety issues are discussed during regularly scheduled employee meetings. Specific safety violations are addressed and documented when detected. An annual independent audit is conducted by a third party health and safety engineer, who also audits for compliance with Universal Waste regulations.

2.04.g State and Federal Violations



GRX has not been found to be in violation of any State or Federal regulations over the past 5 years.

2.04.h OSHA Inquiries

There have been no OSHA inquiries within the past 3 years.

2.04.i Notification of Violation

GRX will notify the State in writing within 3 days of GRX receiving any notice of violation of any laws or regulations applicable to any contract with the State.

2.04.j Inspection

GRX welcomes the State to perform inspections and audits of the GRX facility. GRX will facilitate inspections and audits of any of its subcontractors.

2.04.k Audits and Assessments

GRX welcomes the State to witness GRX operations anytime during normal business hours, and will facilitate witnessing operations at any of its subcontractors.

Section 3 Price Proposal

GRX proposes a two-tier pricing structure:

Tier 1: Full truckload quantities

For full truckload quantities (40,000+ pounds) originating from any single address within the State of Utah, GRX will charge the State \$0.25 per pound, inclusive of transportation, documentation, and materials processing.

Tier 2: Less than truckload quantities

For quantities less than a full truckload, GRX will charge \$0.25 per pound, plus actual freight charges. GRX will provide logistics services at no additional charge, and add a line item to the associated invoice for the actual cost of freight. This rate includes all documentation and materials processing.

The above two pricing structures represent the total charge for normal e-waste processing. The pricing is valid for all electronic devices accepted for processing, as defined in section **2.02.1.e**, including crt monitors declared as hazardous (section **2.01.3**).

Pricing will remain in effect for one year from the date of contract.

GRX will share revenue of resalable items, with 75% of the value going to the State, as defined in this response in section **2.02.1.a.4**.

This price proposal is in response to RFP number GL6025, and is presented by Computer & Electronics Recycling, LLC, doing business as Guaranteed Recycling Xperts.



FINET COMMODITY CODE(S): For Agency use only
92532000000 – Electronic

REVISION HISTORY:

Revision #1: Contact information changed